

**MINUTES OF IWCC MEDICAL FEE ADVISORY BOARD
IWCC CHICAGO OFFICE, ORAL ARGUMENT ROOM
HELD ON JUNE 10, 2009**

Present at the meeting:

Acting Chairman Amy J. Masters
Ms. Elena Butkus, Medical Provider Representative
Ms. Kim Moreland, Employer Representative
Mr. John Smolk, Employer Representative

Attending the meeting via conference call:

Mr. Ronald Powell, Employee Representative

Participating Workers' Compensation Advisory Board Members:

Mr. David Menchetti, Cullen, Haskins, Nicholson & Menchetti
Mr. Mark Flannery, Caterpillar Inc.

Presentations Provided By:

Mr. Jason Beans, Rising Medical Solutions
Mr. Matt Kruger, ATI Physical Therapy
Mr. Greg Steil, ATI Physical Therapy
Dr. Mark Lorenz, Hinsdale Orthopedic Associates

IWCC staff present at the meeting:

Mr. Glen Boyle, Medical Fee Schedule Project Manager
Mrs. Kathryn Kelley, General Counsel
Mrs. Bertha E. Parker, Acting Secretary
Ms. Susan Piha, Manager of Research & Education

Chairman Masters called the meeting to order at 9:10 a.m.

The following documents were distributed to the board: minutes from previous meeting, draft outline of medical fee schedule report to General Assembly, draft agenda for medical fee schedule seminar, and fee schedule presentations Kim Moreland with Rising Medical Solutions and Matt Kruger with ATI Physical Therapy.

The minutes from the February 19, 2009 meeting were unanimously approved as presented.

Chairman Masters informed the board the transition from DRG codes to MS-DRG codes would be completed by June 30, 2009 as required by the rules. Medical Fee Schedule Project Manager Glen Boyle provided update on the status of the transition. Ms. Elena

Butkus pointed out that stakeholders would need some time to implement new codes. The board discussed and agreed providers and payer should be allowed a 30-day lag time to implement and reduce possible disputes. Chairman Masters noted she would work with General Counsel Kathryn Kelley to implement in accordance with the rules and keep the board informed, and post updates on the Commission web site.

Presentations were given by various stakeholders regarding impact of the medical fee schedule.

First, Ms. Kim Moreland and Mr. Jason Beans of Rising Medical Solutions presented information using their own bill review data, containing from 40,000 – 80,000 bills/year, from Illinois clients from 2005 through 2008 that indicates between 15.5% - 21% medical cost savings. Board members discussed the data and asked for additional information regarding geozip and impact of utilization review. Mr. Beans agreed to gather more data and provide updated information to the board.

Next, Dr. Mark Lorenz with Hinsdale Orthopedic Associates presented information regarding provider impact of the medical fee schedule in regard to payments, access to medical care, and collections. He presented data covering 50,000 patient visits to his offices from 2005 to 2009 within various geozips. The data indicated authorization and payment time for workers' compensation treatment is greater than other medical authorization. He also noted that interest charges are ignored, and his company has been underpaid \$1.5 million in 2008 as a result of incorrect medical fee payments. He estimated 30 to 40% reduction in payments from workers' compensation treatment. Board members discussed the data and inquired about fee schedule impact on payments by litigated and non-litigated claims and impact of independent medical exams and utilization review.

The third and final presentation was given by Matt Kruger and Greg Steil with ATI Physical Therapy which operates in various geozips in 44 locations across the state. They noted a 10% reduction in payments and improper PPO discounts and incorrect application of fee schedule by insurers. Mr. Kruger also indicated ATI increased administrative costs due to greater need to administer billing, collections and utilization review through medical fee schedule. He added that 53% of claims were not paid within 60 days. Board members discussed utilization and payment differences for workers' compensation and non-workers' compensation treatment. They also discussed role of utilization review in obtaining quicker approvals for treatment.

The board recessed at 10:45 a.m. and returned at 10:55 p.m.

The board reviewed and discussed medical fee schedule seminar draft agenda of seminars. Suggestions regarding content, locations and promotion were made and noted.

The board discussed and reviewed draft table of contents for the medical fee schedule report to General Assembly. A suggestion was made to add utilization review to the outline.

The board reviewed additional information regarding hospital outpatient fees in regard to notably high and low fees. It was agreed the information would be used for reference purposes.

Chairman Masters noted that she discussed the draft access rule with Commissioners and there were several outstanding issues that will need to be addressed. She will continue to work with Commissioners to address these issues and bring any changes back to the board for review and discussion.

Upon motion, meeting was adjourned at 11:20 a.m.